

THE WHITE HOUSE

WASHINGTON

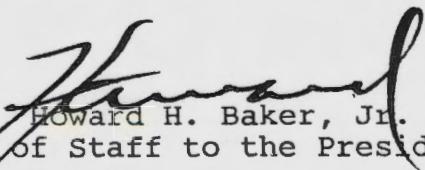
December 2, 1987

Dear Carroll:

Thank you for your letter concerning the appointment of Dr. Paul Forster as Honorary Consul of the Federal Republic of Germany at Spartanburg, South Carolina. I have been in touch with the State Department in connection with Dr. Forster's appointment and am pleased to inform you that it has approved the establishment of the Honorary Consulate at Spartanburg and the appointment of Dr. Forster as Honorary Consul there.

I appreciate your interest in this matter and am happy to provide you with this information.

Sincerely,

  
Howard H. Baker, Jr.  
Chief of Staff to the President

The Honorable Carroll A. Campbell, Jr.  
Governor  
State of South Carolina  
Post Office Box 11369  
Columbia, SC 29211

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THE WHITE HOUSE

WASHINGTON

December 2, 1987

Dear Tom:

Thank you for your letter on the impact of the House passed budget reconciliation package provision on the alternative minimum tax (AMT). As I'm sure you know, we have now reached a bi-partisan budget agreement.

While the agreement does call for revenue raisers, our objective is that they will be similar to those in our budget package. In addition, the agreement specifically excludes any change in marginal tax rates or any new broad-based taxes such as a sales tax or a new excise tax. The President has made very clear that he won't hesitate to veto any final package that strays from these principles.

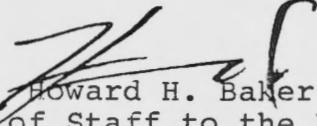
This is not a perfect package, and it need not be the last word on deficit reduction. But it is very clear that if it doesn't pass the results will likely be severe. It's also far superior to the indiscriminate cuts that would occur under an automatic sequester.

A defeat of this package would send a dire signal to the international markets that our government has lost the ability to control the deficit -- a signal that could be followed by higher interest rates and a serious slowing of our economy.

Now the challenge is to get the package passed by Congress. Hopefully, they will agree with its merits and act soon to pass this important step toward responsible deficit reduction.

Thank you for writing.

Sincerely,

  
Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. Thomas R. Kuhn  
Edison Electric Institute  
1111 19th Street, N.W.  
Washington, D.C. 20036-3691

December 2, 1987

Dear Dr. Billington:

It has been brought to my attention that Don Hunt, the Dean of Libraries at the University of Tennessee, Knoxville, has invited you to deliver the 39th Library Lecture as the highlight of the Library Day celebration next March.

You can be sure that it would mean a great deal to the University if you would accept. I would like to "second" the invitation and hope you may be able to address the fine academic community of my alma mater.

Warm regards.

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

The Honorable James H. Billington  
Librarian of Congress  
Washington, D.C. 20540

HHB/MO/CAD/AVH/emu (pc2-COS12)  
cc: Lorraine Camarano, 61 OEOB

WHCC:  
Dr. Jack E. Reese  
Chancellor  
The University of Tennessee  
527 Andy Holt Tower  
Knoxville, TN 37996-0150

December 2, 1987

Dear Sam:

Thanks for your November 11 letter endorsing George Robertson's suggestion that General Secretary Gorbachev visit Schenectady, New York during the summit. I enjoyed reading about the economic resurgence in Schenectady, and I know the President has warm memories of the time he spent there as spokesman for GE.

I appreciate your offer of assistance in connection with this invitation, but the General Secretary's tight schedule will not permit him to make any out-of-Washington trips. He apparently intends to keep this visit capital-to-capital.

Again, thanks for writing. Warm regards.

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

The Honorable Samuel S. Stratton  
House of Representatives  
Washington, D.C. 20515

HHB/LRC/CAD/AVH/emu

(pc2-COS12)

cc: Lorraine Camarano, 61 OEOB  
Tom Griscom

NOTE: Return to John Tuck after typing

December 2, 1987

Dear Dean Leiter:

Thank you for your November 11 letter to Senator Baker. He appreciates your thoughtfulness, and he wants you to know that he is looking forward to this event at the University of Tennessee-Tennessee Press Institute on January 23.

Please accept Senator Baker's warm best wishes.

Sincerely,

Lura Nell Mitchell  
Personal Assistant  
to the Chief of Staff

Dean Kelly Leiter  
College of Communications  
The University of Tennessee-Knoxville  
302 Communications  
University Extension Building  
Knoxville, TN 37996-0332

LNM/LRC/CAD/AVH/emu (pc2-c)

cc: Lorraine Camarano, 61 OEOB  
Lura Nell Mitchell with incoming

December 2, 1987

Dear Mr. Ambassador:

Thank you for your kind invitation to attend a dinner on December 16 honoring Prime Minister Giovanni Goria. I deeply appreciate your thoughtfulness.

Regrettably, the demands of my schedule force me to decline. Nevertheless, I'm sure it will be a most enjoyable and productive evening.

Warm regards.

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

His Excellency  
Rinaldo Petrigiani  
Ambassador of Italy  
Washington, D.C.

HHB/LRC/NSC/CAD/AVH/emu (pc2-COS12)

cc: Lorraine Camarano, 61 OEOB

December 2, 1987

Dear Mrs. Smith:

It is always a pleasure for me to write to a fellow Tennessean, and I'm especially delighted to send congratulations for your 80th birthday. May your day be filled with much happiness.

Happy Birthday!

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Mrs. Gladys Smith  
Route 2, Box 587  
Jasper, Tennessee 37347

HHB/LRC/CAD/pt (pc2-COS12)

WHcc: The Honorable William E. Brock  
WHcc: Mr. Gene Hunt

cc: Lorraine Camarano, 61 OEOB  
(Also sent Birthday letter from President -P3)

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THE WHITE HOUSE  
WASHINGTON

December 2, 1987

Dear Jack:

Thank you for your letter on the budget reduction negotiations. As I'm sure you are aware, we have now reached an agreement and the package will be considered very soon by Congress.

As I've told many groups here in Washington, this is not a perfect package, and it need not be the last word on deficit reduction. But it is very clear that if it doesn't pass the results will likely be severe. It's also far superior to the indiscriminate budget cuts that would occur under an automatic sequester.

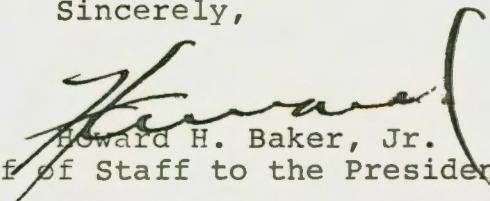
A defeat of this package would send a dire signal to the international markets that our government has lost the ability to control the deficit -- a signal that could be followed by higher interest rates and a serious slowing of our economy.

This agreement is a solid step toward meaningful deficit reduction over two years, without increasing tax rates or adding new broad-based taxes.

Now the challenge is to get the package passed by Congress. Hopefully, they will agree with its merits and act soon to pass this important step toward responsible deficit reduction.

Thank you for writing.

Sincerely,

  
Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. Jack Carlson  
Executive Director  
American Association of  
Retired Persons  
1909 K Street, N.W.  
Washington, D.C. 20049

U

THE WHITE HOUSE  
WASHINGTON

December 2, 1987

Dear David:

Thank you for your letter on the budget reduction negotiations. As I'm sure you are aware, we have now reached an agreement and the package will be considered very soon by Congress.

As I've told many groups here in Washington, this is not a perfect package, and it need not be the last word on deficit reduction. But it is very clear that if it doesn't pass the results will likely be severe. It's also far superior to the indiscriminate budget cuts that would occur under an automatic sequester.

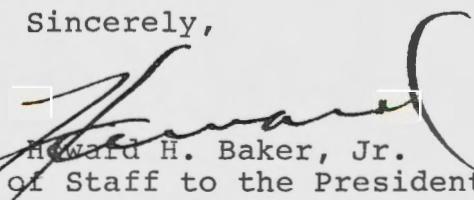
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Now the challenge is to get the package passed by Congress. Hopefully, they will agree with its merits and act soon to pass this important step toward responsible deficit reduction.

Thank you for writing.

Sincerely,

  
Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. David T. Kearns  
Chairman and Chief Executive Officer  
Xerox Corporation  
800 Long Ridge Road  
P. O. Box 1600  
Stamford, Connecticut 06904

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THE WHITE HOUSE  
WASHINGTON

December 2, 1987

Dear Dirk:

Thank you for your suggestions on how we might cut the budget. As you know, we have now reached an agreement and the package will be considered very soon by Congress.

As I said the other day, this is not a perfect package, and it need not be the last word on deficit reduction. But it is very clear that if it doesn't pass the results will likely be severe. It's also far superior to the indiscriminate budget cuts that would occur under an automatic sequester.

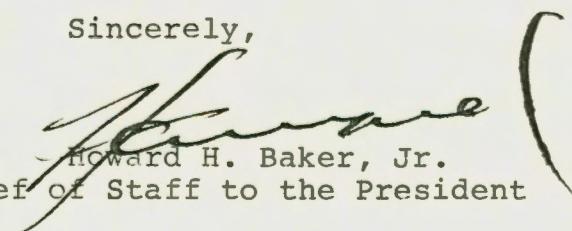
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Now the challenge is to get the package passed by Congress. Hopefully, they will agree with its merits and act soon to pass this important step toward responsible deficit reduction.

It was good to see you at the briefing and thank you for writing.

Sincerely,

  
Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. Dirk Van Dongen  
President  
National Association of  
Wholesaler-Distributors  
Suite 710  
1725 K Street, N.W.  
Washington, D.C. 20006

THE WHITE HOUSE  
WASHINGTON

December 2, 1987

Dear Sandy:

Thank you for your suggestions on how we might cut the budget. As you know, we have now reached an agreement and the package will be considered very soon by Congress.

As I said the other day, this is not a perfect package, and it need not be the last word on deficit reduction. But it is very clear that if it doesn't pass the results will likely be severe. It's also far superior to the indiscriminate budget cuts that would occur under an automatic sequester.

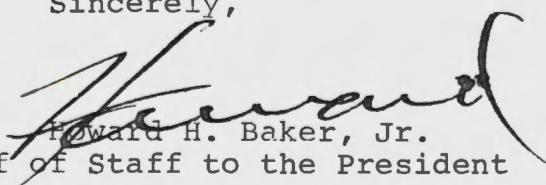
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Now the challenge is to get the package passed by Congress. Hopefully, they will agree with its merits and act soon to pass this important step toward responsible deficit reduction.

It was good to see you at the briefing and thank you for writing.

Sincerely,

  
Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. Alexander B. Trowbridge  
President  
National Association of Manufacturers  
Suite 1500 - North Lobby  
1331 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004-1703



THE WHITE HOUSE  
WASHINGTON

December 2, 1987

Dear Mr. Born:

Thank you for your letter to the President on the budget reduction negotiations. As I'm sure you are aware, we have now reached an agreement and the package will be considered very soon by Congress.

As I've told many groups here in Washington, this is not a perfect package, and it need not be the last word on deficit reduction. But it is very clear that if it doesn't pass the results will likely be severe. It's also far superior to the indiscriminate budget cuts that would occur under an automatic sequester.

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Now the challenge is to get the package passed by Congress. Hopefully, they will agree with its merits and act soon to pass this important step toward responsible deficit reduction.

Thank you for writing.

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. Allen Born  
President and CEO  
AMAX Inc.  
AMAX Center  
Greenwich, CT 06836-1700

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THE WHITE HOUSE  
WASHINGTON

December 2, 1987

Dear Mr. Reynolds:

Thank you for your letter on the alternative minimum tax and the budget reduction negotiations. As I'm sure you are aware, we have now reached an agreement and the package will be considered very soon by Congress.

As I've told many groups here in Washington, this is not a perfect package, and it need not be the last word on deficit reduction. But it is very clear that if it doesn't pass the results will likely be severe. It's also far superior to the indiscriminate budget cuts that would occur under an automatic sequester.

A defeat of this package would send a dire signal to the international markets that our government has lost the ability to control the deficit -- a signal that could be followed by higher interest rates and a serious slowing of our economy.

This agreement is a solid step toward meaningful deficit reduction over two years, without increasing tax rates or adding new broad-based taxes.

Now the challenge is to get the package passed by Congress. Hopefully, they will agree with its merits and act soon to pass this important step toward responsible deficit reduction.

Thank you for writing.

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. William G. Reynolds, Jr.  
Vice President of Government  
Relations and Public Affairs  
Reynolds Aluminum  
Reynolds Metals Company  
Richmond, Virginia 23261

THE WHITE HOUSE

WASHINGTON

December 2, 1987

Dear Mr. Schwartz:

Thank you for your letter on the budget reduction negotiations. As I'm sure you are aware, we have now reached an agreement and the package will be considered very soon by Congress.

As I've told many groups here in Washington, this is not a perfect package, and it need not be the last word on deficit reduction. But it is very clear that if it doesn't pass the results will likely be severe. It's also far superior to the indiscriminate budget cuts that would occur under an automatic sequester.

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Now the challenge is to get the package passed by Congress. Hopefully, they will agree with its merits and act soon to pass this important step toward responsible deficit reduction.

Thank you for writing.

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. Peter W. Schwartz  
Executive Vice President  
American Supply Association  
20 N. Wacker Drive  
Chicago, Illinois 60606

THE WHITE HOUSE

WASHINGTON

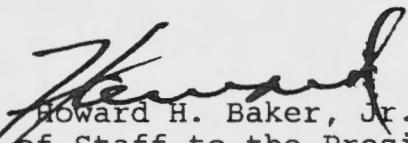
December 2, 1987

Dear Charlie:

Thank you for your memorandum of November 13 forwarding a report of your visit to Stockholm, Geneva, Rome and Brussels the last part of October and early part of November. I have taken the liberty of passing your memo to the appropriate NSC staff for their review and comment.

With best wishes.

Sincerely,

  
Howard H. Baker, Jr.  
Chief of Staff to the President

The Honorable Charles Z. Wick  
Director  
United States Information Agency  
Washington, D.C. 20547

U

December 2, 1987

Dear Mr. Ireland:

Thank you for your kind message. I appreciate your warm words of support and confidence.

With best wishes,

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. John Ireland  
38 Christopher Lane  
Sterling, VA 22170

HHB/SW/WJB/RKS/jfcf4  
HHB-1

cc: Lorraine Camarano - 61 OEOB

U

December 2, 1987

Dear Mr. and Mrs. Washburn:

Thank you for your kind message. I appreciate your warm words of support and confidence.

With best wishes,

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. and Mrs. Elliot C. Washburn  
3 Glendale Road  
Sharon, MA 02067

HHB/SW/WJB/RKS/jfcf4  
HHB-1

cc: Lorraine Camarano - 61 OEOB

December 2, 1987

Dear Mr. Edwards:

Thank you for your recent message.

It was good of you to tell me where you stand on these significant issues. You have no idea how helpful it is for me to hear directly from the American people. I will share your comments with the appropriate members of the White House staff.

With best wishes,

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. Robert V. Edwards  
Apartment 7  
1014 Fairview Avenue  
Arcadia, CA 91006

HHB/SW/WJB/RKS/jfcf4  
HHB-3A

cc: Lorraine Camarano - 61 OEOB

U

December 2, 1987

Dear Mr. Norrie:

Thank you for the material which you have thoughtfully sent to me.

With so much to be done here in Washington, I count on the help of the American people. I assure you that I will study this information and share it with the appropriate members of the White House staff.

With best wishes,

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. Jack B. Norrie  
President  
Horizon Chemicals  
and Painters Supply  
Post Office Box 7470  
Clearwater, FL 34618

HHB/SW/WJB/RKS/jfcf4  
HHB-10

cc: Lorraine Camarano - 61 OEOB

U

December 2, 1987

Dear Mrs. Gunstrum:

Thank you for sending your message to me.

You have no idea how helpful it is for me to hear directly from the American people. I will keep your words in mind.

Please accept my best wishes.

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Mrs. Laurence Gunstrum  
339 West Burkitt  
Sheridan, Wyoming 82801

HHB/SW/WJB/RKS/jfcf4  
HHB-12

cc: Lorraine Camarano - 61 OEOB

U

December 2, 1987

Dear Mr. Montgomery:

Thank you for sending your message to me.

You have no idea how helpful it is for me to hear directly from the American people. I will keep your words in mind.

Please accept my best wishes.

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. John D. Montgomery  
Post Office Box 216  
Eola, Illinois 60519

HHB/SW/WJB/RKS/jfcf4  
HHB-12

cc: Lorraine Camarano - 61 OEOB

December 2, 1987

Dear Mr. Hamlett:

On behalf of the Chief of Staff, I want to thank you for sending the copy of your book, The Test Papers.

Your request for Senator Baker's opinion on your work has been noted. Unfortunately, in accordance with White House policy, it would be inappropriate for Senator Baker to comment on the merits of your book or to take part in its promotion. Your interest in writing is certainly appreciated, but I hope you will understand the need for this policy.

With Senator Baker's best wishes,

Sincerely,

Sue Walkup  
Special Assistant  
to the Chief of Staff

Mr. Alfred E. Hamlett  
Post Office Box 274  
Farmington, NM 87499

SW/MO/CAD/emu (pc2-c)

cc: Lorraine Camarano, 61 OEOB

THE WHITE HOUSE  
WASHINGTON

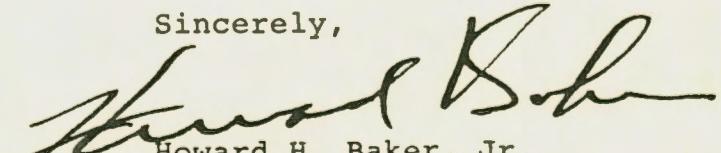
December 3, 1987

Dear Mr. Martinez:

It was a pleasure meeting with the representatives from the Hispanic National Bar Association (HNBA). I feel confident that our discussions regarding the judicial nomination of Judge Kennedy for the United States Supreme Court was productive and positive.

The door to constructive dialogue will always be open and I can assure you that this Administration welcomes the valuable input of the Hispanic Bar. We look forward to continued communications from you and the HNBA leadership on issues of mutual concern.

Sincerely,



Howard H. Baker, Jr.  
Chief of Staff to the President

Michael Martinez, Esquire  
President, Hispanic National Bar Association  
559 East South Temple  
Salt Lake City, Utah 04102

December 3, 1987

Dear Rufus:

Thanks for your letter of November 9. As you know, our recently completed budget negotiations did not include any limitations on COLAs for military or Federal retirees or Social Security recipients. Despite the compelling logic of your arguments, it is clear that there simply aren't enough votes in either the House or Senate for restraints on COLAs at this time. You are absolutely correct that we must get some control over the 50% of the budget consisting of entitlement programs and ensure that those programs are targeted on the people who need them.

It was good to hear from you. Warm regards.

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. Rufus S. Hill, Jr.  
3331 Legation Street, N.W.  
Washington, D.C. 20015

HHB/DanCrippen/JCT/LRC/CAD/AVH/jfc (pc2-COS12)

cc: Lorraine Camarano, 61 OEOR

December 3, 1987

Dear Arthur and Bill:

Thanks for sending me the copy of the McKinsey report on the American Business Conference companies. I am afraid that the characteristics that made these companies successful are not easily transferred to some of their more staid brethren. It is more than a useful object lesson, however, to point out that intellectual capacity is the most important ingredient for overseas success, and that "competitiveness" is not determined simply by trade laws.

I note also that the report called for reductions in the U.S. budget deficit -- a call that seems to appear in every report on every subject these days. I hope that the settlement we just reached with the Congress can be implemented and will keep us on the path of declining deficits. As everyone has acknowledged, it is not a-perfect package. We had hoped for more, but the package does provide credible reductions for the next two years and beyond. As the President said, it is not the last word on addressing the problem.

Again, thanks for writing. Warm regards.

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. Arthur Levitt, Jr.  
Mr. William Liley III  
American Business Conference  
1730 K Street, N.W.  
Washington, D.C. 20006

HHB/DanCrippen/JCT/LRC/CAD/AVH/pt-jfc

(pc2-COS12)

cc: Lorraine Camarano, 61 OEOR

December 3, 1987

Dear Mr. Andersen:

Thank you for your letter to Senator Baker inviting him to visit with the Young Presidents Organization on April 11, 1988.

I hope you'll understand that a definite answer this far in advance is not possible. If you would like to send a follow-up invitation closer to the date of the event, we will be happy to give it every consideration.

With Senator Baker's best wishes,

Sincerely,

Lura Nell Mitchell  
Personal Assistant  
to the Chief of Staff

Mr. B. B. Andersen  
Post Office Box 20643  
Kansas City, MO 64195

LNM/WJB/LRC/jfcf4  
LNM-4

cc: Lorraine Camarano, Room 61 OEOB

U

December 3, 1987

Dear Professor Talbott:

Thank you for your message inviting the Chief of Staff to participate in your Glennan Lecture Series on March 29, 1988.

Your invitation is appreciated, but the heavy demands of Mr. Baker's schedule make it impossible for him to accept. However, he asked me to thank you for your kindness and send you his best wishes.

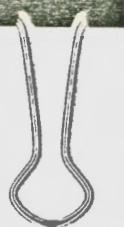
Sincerely,

Lura Nell Mitchell  
Personal Assistant  
to the Chief of Staff

Mr. Frederick Talbott  
Assistant Professor of English  
Old Dominion University  
Norfolk, VA 23529

LNM/WJB/jfcf4  
LNM-1

cc: Lorraine Camarano, Room 61 OEOB



December 3, 1987

Dear Mr. Zelenka:

Thank you for your message inviting the Chief of Staff to address the National Conference of the American Society for Public Administration in April 1988.

Your invitation is appreciated, but the heavy demands of Mr. Baker's schedule make it impossible for him to accept. However, he asked me to thank you for your kindness and send you his best wishes.

Sincerely,

Lura Nell Mitchell  
Personal Assistant  
to the Chief of Staff

Mr. Tom Zelenka  
ASPA Experience Portland '88  
Post Office Box 3529  
Portland, Oregon 97208

LNM/WJB/jfcf4  
LNM-1

cc: Lorraine Camarano, Room 61 OEOB

December 3, 1987

Dear Mr. Hobbs:

Thank you for your kind invitation. I am honored that you would think of asking me to be guest speaker at your annual Lincoln Day Dinner in February 1988.

Regrettably, I must decline. The heavy demands of my schedule will not allow me to participate in out-of-Washington events. Nevertheless, I hope you will accept my best wishes for a very successful dinner.

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. Buster Hobbs  
Chairman  
Leadership Council  
Orange County Republican  
Executive Committee  
Post Office Box 1543  
Orlando, FL 32802

HHB/MO/AVH/emu (pc2-COS12)

cc: Lorraine Camarano, 61 OEOB  
CLEARED THRU COUNSEL'S OFFICE

THE WHITE HOUSE

WASHINGTON

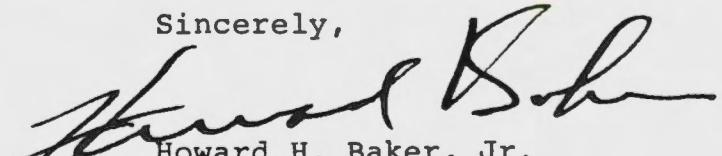
December 3, 1987

Dear Mr. Martinez:

It was a pleasure meeting with the representatives from the Hispanic National Bar Association (HNBA). I feel confident that our discussions regarding the judicial nomination of Judge Kennedy for the United States Supreme Court was productive and positive.

The door to constructive dialogue will always be open and I can assure you that this Administration welcomes the valuable input of the Hispanic Bar. We look forward to continued communications from you and the HNBA leadership on issues of mutual concern.

Sincerely,



Howard H. Baker, Jr.  
Chief of Staff to the President

Michael Martinez, Esquire  
President, Hispanic National Bar Association  
559 East South Temple  
Salt Lake City, Utah 04102

THE WHITE HOUSE

WASHINGTON

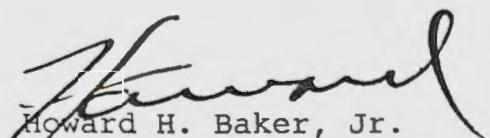
December 3, 1987

Dear A.B.:

Thanks for your letter recommending Bob Farris to be Federal Highway Administrator. I am delighted to learn that the American Road and Transportation Builders Association's membership also holds him in such high regard. A decision will be made shortly by the President for this important position, and I am very happy that you also are such a strong supporter of Bob's.

With warmest regards.

Sincerely,

  
Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. A. B. Long, Jr.  
The Long Land Corporation  
Post Office Box 11905  
Knoxville, TN 37939-1905

December 3, 1987

Dear Dr. Kam:

Thank you for your letter of November 9 recommending Dr. Jerry C. L. Chang for a position with the United States Mission to the United Nations.

I have forwarded your correspondence and Dr. Chang's resume to the appropriate personnel for further consideration.

I appreciate your interest and send my best wishes.

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Dr. Edwin T. Kam  
United States Congressional  
Advisory Board  
Penthouse 10  
500 University Avenue  
Honolulu, HI 96826

HHB/MO/CAD/AVH/emu (pc2-COS12)

cc: Lorraine Camarano, 61 OEOB  
Katja Bullock w/incoming

NOTE: Barbara Riegner spoke with Jerry Koenig re this writer  
on 11/23/87

U

December 3, 1987

Dear Mr. Young:

Thank you for your thoughtful message. I appreciate your friendship, but I do not plan to run for office in 1988. It is my intention to serve President Reagan until the end of his term.

Your words of encouragement mean a great deal to me. Please accept my warm best wishes.

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. David A. Young  
PATCH H. S. 2857  
APO New York, NY 09131

HHB/LRC/CAD/AVH/jfcf4  
HHB-17

cc: Lorraine Camarano - 61 OEOB

December 3, 1987

Dear Mr. Smith:

Thank you for your thoughtful message. I appreciate your friendship, but I do not plan to run for office in 1988. It is my intention to serve President Reagan until the end of his term.

Your words of encouragement mean a great deal to me. Please accept my warm-best wishes.

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. Raymond Smith, Jr.  
555 Paradise Boulevard  
Marine City, Michigan 48039

HHB/LRC/CAD/AVH/jfcf4  
HHB-17

cc: Lorraine Camarano - 61 OEOB

December 3, 1987

Dear Ms. Sebby:

Thank you for your thoughtful message. I appreciate your friendship, but I do not plan to run for office in 1988. It is my intention to serve President Reagan until the end of his term.

Your words of encouragement mean a great deal to me. Please accept my warm-best wishes.

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Ms. Helen R. Sebby  
5428 Spilman Avenue  
Sacramento, CA 95849

HHB/LRC/CAD/AVH/jfcf4  
HHB-17

cc: Lorraine Camarano - 61 OEOB

December 3, 1987

Dear Dr. West:

Thank you for your thoughtful message. I appreciate your friendship, but I do not plan to run for office in 1988. It is my intention to serve President Reagan until the end of his term.

Your words of encouragement mean a great deal to me. Please accept my warm best wishes.

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Dr. William Garrett West  
203 Hillcrest Avenue  
Chattanooga, TN 37411

HHB/LRC/CAD/AVH/jfcf4  
HHB-17

cc: Lorraine Camarano - 61 OEOB

THE WHITE HOUSE

WASHINGTON

December 3, 1987

Dear Mr. Minahan:

Thank you for your letter concerning the budget negotiations. As you are no doubt aware, a bi-partisan agreement has now been reached and will shortly be considered by Congress.

An important goal of the agreement was to avoid the indiscriminate cuts that would occur under a forced sequester. These cuts would have resulted in a significant cut back of federal employees. The FAA, for instance, estimates they would have to furlough 16,000 employees under a sequester.

Certainly this is not a perfect package but it is clear that if it doesn't pass, the economic results would also likely be severe. A defeat would send a dire signal to the international markets that our government has lost the ability to control the deficit -- a signal that could be followed by higher interest rates and a serious slowing of our economy.

This agreement is a solid step toward meaningful deficit reduction over two years, without increasing tax rates or adding new broad-based taxes.

Now the challenge is to get the package passed by Congress. Hopefully, they will agree with its merits and act soon to pass this important step toward responsible deficit reduction.

Thank you for writing.

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. Michael Minahan  
President  
Federal Managers Association  
Suite 701  
1000 16th Street, N.W.  
Washington, D.C. 20036

December 4, 1987

Dear Jim:

Thank you for your letter recommending Robert E. Farris as Administrator of the Federal Highway Administration.

I appreciate knowing of your support for Mr. Farris, and I have circulated your correspondence to the Office of Presidential Personnel. You may be sure he will receive every consideration in the selection process for this important position.

With best wishes,

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

The Honorable James R. Thompson  
Governor of Illinois  
Springfield, Illinois 62706

HHB/LRC/CAD/AVH/jfc (pc2-COS12)

cc: Katja Bullock with incoming  
Gwen King with copy of incoming  
Frank Donatelli with copy of incoming  
cc: Lorraine Camarano, 61 OEOB

a:#Farris.hhb

December 4, 1987

Dear Mr. Triplett:

Thank you for your letter recommending Robert E. Farris as Administrator of the Federal Highway Administration.

I appreciate having the benefit of your views, and I have circulated your correspondence to the Office of Presidential Personnel. You may be sure Mr. Farris will receive every consideration in the selection process for this important position.

With best wishes,

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. Gerald S. Triplett  
President  
Asphalt Institute  
Asphalt Institute Building  
College Park, MD 20740-1802

HHB/LRC/CAD/AVH/jfc (pc2-COS12)

cc: Katja Bullock with incoming

cc: Lorraine Camarano, 61 OEOB  
a:#Farris.hhb

December 4, 1987

Dear Mr. Johnston:

Thank you for your letter recommending Robert E. Farris as Administrator of the Federal Highway Administration.

I appreciate having the benefit of your views, and I have circulated your correspondence to the Office of Presidential Personnel. You may be sure Mr. Farris will receive every consideration in the selection process for this important position.

With best wishes,

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. James J. Johnston  
President  
Owner-Operators Independent  
Drivers Association of America  
Post Office Box 88  
Oak Grove, Missouri 64075

HHB/LRC/CAD/AVH/jfc (pc2-COS12)

cc: Katja Bullock with incoming

cc: Lorraine Camarano, 61 OEOB  
a:#Farris.hhb

December 4, 1987

Dear Marty:

Given your advice of the recent past, I thought that you would be pleased with at least some of Jim Baker's comments. While I agree that it is difficult for any country to forego policies that are in their own best interest, I am not convinced that our economy remains an island, if you will forgive the over-simplification. Even if that were the case, markets react, at least in the short run, to perceptions as well as real economics. Abandoning at least the perception of some international cooperation could be tricky in these otherwise precarious times.

However, as is usually the case, I don't disagree with your bottom line. We must do our best to pursue policies that will continue domestic economic growth. I hope that our recent budget agreement will be a step forward. The settlement is multi-year and, I would argue, credible -- the primary one-time savings are asset sales, which make up only 10 percent of the package. There are real savings in entitlement programs, including agriculture, and real revenues, all of which translate into permanent reductions. Defense is essentially frozen and domestic discretionary spending is held to a 2 percent increase for the next two years.

It is not as much as I had hoped or the President had hoped, but it is a good first step. There are only three basic alternatives to reduce the deficit. A larger package which would have to include a limitation on COLAs. Whether that is a good idea or not, it is clear there simply aren't enough votes to pass a broad COLA change in either the House or the Senate. The second alternative is the plan that emerged from the negotiations, or something very close to it. The third choice is simply letting the sequester take effect and admit that the only way we can deal with the deficit is by going on "autopilot."

I think that the result, while far from perfect, shows that the Executive and Legislative branches can come together and function and should clearly demonstrate that the President is not inflexible on either taxes or defense. After sitting in

those negotiations for 20 days, I've got to tell you that if there is any stubbornness, it is in the unwillingness of Congress to cut domestic spending, especially entitlements.

Let me know when you plan to be back in Washington and maybe you can convince me that living on an island is not all that bad.

Warm regards.

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

The Honorable Martin Feldstein  
President and  
Chief Executive Officer  
National Bureau of Economic  
Research, Inc.  
1050 Massachusetts Avenue  
Cambridge, Massachusetts 02138

HHB/DanCrippen/JCT/LRC/CAD/AVH/jfc (pc2-COS12)

cc: Lorraine Camarano, 61 OEOB  
A:FELDST.HHB

THE WHITE HOUSE

WASHINGTON

December 4, 1987

Dear Mr. Hulett:

Thank you for your letter on the impact of various House proposals to change the deductibility of dividends on preferred stock. As you probably know, these were provisions in the House budget reconciliation package.

Since we have now reached a bi-partisan budget agreement, any revenue provisions will not be considered along with this agreement. While the agreement does call for revenue raisers, our objective is that they will be similar to those in our budget package. In addition, the agreement specifically excludes any change in marginal tax rates or any new broad-based taxes such as a sales tax or a new excise tax. The President has made very clear that he won't hesitate to veto any final package that strays from these principles.

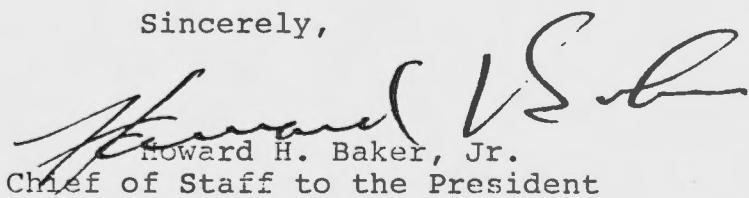
This is not a perfect package, and it need not be the last word on deficit reduction. But it is very clear that if it doesn't pass the results will likely be severe. It's also far superior to the indiscriminate cuts that would occur under an automatic sequester.

A defeat of this package would send a dire signal to the international markets that our government has lost the ability to control the deficit -- a signal that could be followed by higher interest rates and a serious slowing of our economy.

Now the challenge is to get the package passed by Congress. Hopefully, they will agree with its merits and act soon to pass this important step toward responsible deficit reduction.

Thank you for writing.

Sincerely,

  
Howard H. Baker, Jr.  
Chief of Staff to the President

Mr. Stanley W. Hulett  
President  
Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

THE WHITE HOUSE

WASHINGTON

December 4, 1987

Dear Ms. Clifford:

Thank you for your interesting and kind offer. I have given it some thought; however, I must regretfully decline.

I have been asked by several magazines to enter into a similar arrangement. I have regretted all such requests. My official duties simply will not permit me to spend the time to do the job right.

I look forward to picking up a copy of your special year-end issue.

Sincerely,

Howard H. Baker, Jr.  
Chief of Staff to the President

Ms. Garry Clifford  
Washington Bureau Chief  
PEOPLE Magazine  
1050 Connecticut Avenue, N.W.  
Washington, D.C. 20036